



*WHEREAS* the United States of America (“United States”), by the Attorney General, on behalf of the United States Environmental Protection Agency (“EPA”), filed a complaint (“Complaint”) against Hecla Limited (“Hecla” or “Defendant”) in this Court alleging that the Defendant is liable to the United States under Sections 301(a) and 402 of the Clean Water Act (“the Act”), 33 U.S.C. §§ 1311(a) and 1342, for violations at Hecla’s Lucky Friday Mine and Mill facility, located near Mullan, Idaho, including: exceedances of the effluent limitations set forth in Hecla’s National Pollutant Discharge Elimination System (“NPDES”) Permit from outfalls 002 and 003 (“permitted outfalls”); discharges of metals-contaminated wastewater from diversion of a seepage or culvert water at Tailings Pond No. 3 to Harris Creek that were not authorized by a NPDES Permit; and violations of the Multi-Sector General Permit for Stormwater Discharges Associated with Industrial Activities (“MSGP”). The United States seeks civil penalties from the Defendant pursuant to Sections 309(b) and (d) of the Act, 33 U.S.C. §§ 1319 (b) and (d), for the violations.

*WHEREAS* the United States and Defendant (individually, a “Party,” and collectively, the “Parties”) agree that it is in the public interest to resolve this matter without litigation and have negotiated this Stipulation of Settlement and Judgment in good faith to avoid litigation and the risks inherent therein;

*NOW THEREFORE*, before the taking of any testimony, without adjudication or admission of any issue of fact or law and with the consent of the Parties,

IT IS HEREBY ADJUDGED, ORDERED, and DECREED as follows:

A. This Court has jurisdiction over the subject matter of this action, pursuant to 28 U.S.C. §§ 1331, 1345 and 1355 and 33 U.S.C. §§ 1319(b), and over the Parties. Venue lies in this District pursuant to Sections 309(b) of the Act, 33 U.S.C. § 1319(b), and 28 U.S.C. §§

STIPULATION OF SETTLEMENT  
AND JUDGMENT – Page 2

1391(b) and 1395(a), because the events or omissions that gave rise to the claims in the Complaint, or a substantial part of them, occurred in this District and because the Defendant is located in or resides or is doing business in this District. For the purposes of this Stipulation of Settlement and Judgment, or any action to enforce it, Defendant consents to the Court's jurisdiction over this Stipulation of Settlement and Judgment and any such action to enforce it, and over Defendant, and consents to venue in this judicial district.

B. For purposes of this Stipulation of Settlement and Judgment, Defendant agrees that the Complaint states a claim upon which relief may be granted pursuant to Section 309 of the Act, 33 U.S.C. § 1319.

C. The obligations of this Stipulation of Settlement and Judgment apply to and are binding upon the United States, and upon Defendant and its successors. Any change in the ownership or corporate status of Defendant shall not alter its obligations hereunder.

D. Within thirty (30) days following entry by the Court of this Stipulation of Settlement and Judgment, Defendant shall pay to the United States \$600,000 as a civil penalty. Defendant shall make payment to the United States by FedWire Electronic Funds Transfer (EFT) to the U.S. Department of Justice in accordance with written instructions to be provided to Defendant, following entry of the Stipulation, by the Financial Litigation Unit of the U.S. Attorney's Office for the District of Idaho. At the time of payment, Defendant shall send a copy of the EFT authorization form and the EFT transaction record, which shall state that the payment is for the civil penalty owed pursuant to the Stipulated Settlement in United States v. Hecla Limited and DOJ case number 90-5-1-1-10687, by email to [acctsreceivable.CINWD@epa.gov](mailto:acctsreceivable.CINWD@epa.gov); and by mail to:

EPA Cincinnati Finance Office  
26 Martin Luther King Drive  
Cincinnati, Ohio 45268

and

Chief, Environmental Enforcement Section

STIPULATION OF SETTLEMENT  
AND JUDGMENT – Page 3

Environment & Natural Resources Division  
United States Department of Justice  
P.O. Box 7611, Ben Franklin Station  
Washington, DC 20044-7611

and

Stephanie Mairs  
Assistant Regional Counsel  
U.S. EPA Region 10  
1200 Sixth Avenue, Mailstop ORC- 158  
Suite 900  
Seattle, Washington 98101.

E. Interest shall accrue on the unpaid balance of civil penalties in accordance with 28 U.S.C. § 1961 commencing on the date that such penalties are due and continuing until paid. Additionally, if payment specified in Paragraph D is not made when due, the United States shall be entitled to stipulated penalties in the amount of \$10,000 per day for each day that payment is late. Finally, if payment specified in Paragraph D is not made when due, then, in addition to other remedies herein, the United States reserves the right to move this Court to vacate this Stipulation of Settlement and Judgment and reinstate this action.

F. Defendant's payment of the civil penalty identified in Paragraph D above and any interest required by Paragraph E above shall constitute a complete settlement and shall be in full satisfaction of the United States' claims for civil penalties for the violations of the Clean Water Act alleged in the Complaint through the date of lodging. This Stipulation of Settlement and Judgment is limited to the civil claims under the Clean Water Act that are expressly alleged in the Complaint. This Stipulation of Settlement and Judgment is not intended to, nor shall it be construed to, operate in any way to resolve any civil claims other than those expressly alleged in the Complaint or any criminal liability of Defendant.

G. Nothing in this Stipulation of Settlement and Judgment shall be construed to release Defendant or its agents, successors, or assigns from their respective obligations to comply with any applicable Federal, State, or local law, regulation, or permit. Nothing contained herein shall be construed to prevent or limit the United States' rights to obtain penalties or injunctive relief under the Clean Water Act, 33 U.S.C. §§ 1251 *et seq.*, or any other law, except as expressly specified in Paragraph F.

H. Defendant shall not deduct any penalties paid pursuant to this Stipulation of Settlement and Judgment in calculating its federal income tax payable to the United States Treasury, if any.

I. The Court shall retain jurisdiction for the purposes of interpreting and enforcing this Stipulation of Settlement and Judgment through the date that payment is made in accordance with the provisions herein.

J. This Stipulation of Settlement and Judgment shall be considered an enforceable judgment solely for purposes of post-judgment collection of any unpaid civil penalties and interest referred to in Paragraphs D and E above, in accordance with Rule 69 of the Federal Rules of Civil Procedure, the Federal Debt Collection Procedures Act, 28 U.S.C. §§ 3001-3008, and any other applicable statutory authority without further order of this Court. In the event all or any portion of the civil penalty amount referred to in Paragraph D above is not paid in accordance with the provisions of this Stipulation of Settlement and Judgment, Defendant shall be liable for attorneys' fees and costs incurred by the United States in collecting any amounts due thereunder.

K. Nothing in this Stipulation of Settlement and Judgment creates, nor shall it be construed as creating, any rights or claims in favor of any person not a Party to this Stipulation of Settlement and Judgment.

L. Except as to those civil claims expressly alleged in the Complaint and resolved in this Stipulation of Settlement and Judgment, in any subsequent administrative or judicial proceeding initiated by the United States for injunctive relief, civil penalties, or other appropriate relief relating to the Lucky Friday Mine and Mill facility, Defendant shall not assert, and may not maintain, any defense or claim based upon the principles of waiver, res judicata, collateral estoppel, issue preclusion, claim-splitting, or other defenses based upon any contention that the claims raised by the United States in the subsequent proceeding were or should have been brought in the instant case.

M. The undersigned representatives of Defendant and the Deputy Chief of the Environmental Enforcement Section, certify that each is fully authorized to enter into the terms and conditions of this Stipulation of Settlement and Judgment and to bind legally the party he or she represents to this document.

N. Except as set forth in Paragraph J of this Stipulation of Settlement and Judgment, each party shall bear its own costs and attorneys' fees in this action.

O. The Defendant hereby agrees to accept service of the complaint in this matter from the United States by first class mail directed to counsel for Defendant, Kevin J. Beaton, and to waive the formal service requirements set forth in Rule 4 of the Federal Rules of Civil Procedure and any applicable local rules of this Court, including, but not limited to, service of a summons with the Complaint.

P. Defendant consents to the entry of this Stipulation of Settlement and Judgment without further notice.

Q. There are no separate agreements or understandings with respect to this matter that have not been set forth in this Stipulation of Settlement and Judgment.

STIPULATION OF SETTLEMENT  
AND JUDGMENT – Page 6

R. Defendant admits the jurisdictional allegations contained in the Complaint.

Defendant does not admit any liability to the United States arising out of the transactions or occurrences alleged in the Complaint.

S. This Stipulation of Settlement and Judgment may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

**AS STIPULATED AND AGREED TO BY THE PARTIES, IT IS SO ORDERED AND ADJUDGED:**

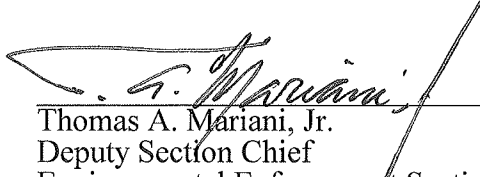
DATED: \_\_\_\_\_

\_\_\_\_\_


**UNITED STATES DISTRICT JUDGE**

**FOR THE UNITED STATES:**

DATED: 05-21-2015

  
\_\_\_\_\_  
Thomas A. Mariani, Jr.  
Deputy Section Chief  
Environmental Enforcement Section  
Environment & Natural Resources Division

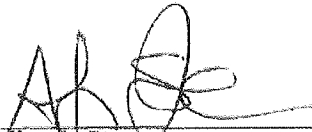
DATED: 5-26-2015

  
\_\_\_\_\_  
Erika M. Zimmerman, Trial Attorney  
Environmental Enforcement Section  
Environment and Natural Resources Division  
U.S. Department of Justice  
7600 Sand Point Way, NE  
Seattle, Washington 98115  
Telephone: 206-526-6608  
Facsimile: 206-526-6665




ALSO FOR THE UNITED STATES:

DATED: May 27, 2015

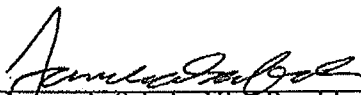
  
\_\_\_\_\_  
Adlyn L. Stern  
Regional Counsel  
U.S. Environmental Protection Agency  
Region 10  
1200 Sixth Avenue, Suite 900  
Seattle, WA 98101

DATED: May 27, 2015


  
\_\_\_\_\_  
Stephanie Mairs  
Assistant Regional Counsel  
U.S. Environmental Protection Agency  
Region 10  
1200 Sixth Avenue, Suite 900  
Seattle, WA 98101

**FOR HECLA LIMITED:**

DATED: May 18, 2015

  
James A. Sabala, Vice President  
6500 N. Mineral Dr., Suite 200  
Coeur d'Alene, ID 83815

Agent authorized to accept service for Hecla Limited:

  
Kevin J. Beaton, Attorney 5-18-15